

A G E N D A

UTAH BOARD OF WATER RESOURCES

Department of Natural Resources

1594 West North Temple

Salt Lake City, Utah

January 31, 2003

1:00 p.m.

I. CALL TO ORDER

II. APPROVAL OF MINUTES - December 20, 2002

III. CHAIR'S REPORT

IV. WATER SUPPLY REPORT - NRCS

V. ADOPTION OF BOND INSURANCE POLICY

VI. FEASIBILITY REPORTS

E087 Richland Nonprofit Water Co.

E097 Bear River Canal Co.

County

Rich

Box Elder

VII. COMMITMENT OF FUNDS

E042 Fountain Green Irr. Co.

E068 Magna Water Co. an Improvement Dist.

E088 Gunnison City

E095 Taylor-West Weber WID

Sanpete

Salt Lake

Sanpete

Weber

VIII. DIRECTOR'S REPORT

IX. OTHER ITEMS

X. NEXT BOARD MEETING - Mar. 20, 2003 - St. George

XI. ADJOURNMENT

BRIEFING MEETING AGENDA

UTAH BOARD OF WATER RESOURCES

Room 314
Division of Water Resources
Salt Lake City, Utah

January 31, 2003

9:00 a.m.

- | | | |
|------|--------------------------------|-------------------|
| I. | WELCOME | Chairman Peterson |
| II. | DISCUSSION OF STAFF ACTIVITIES | |
| III. | DISCUSSION OF PROJECTS | Board/Staff |
| IV. | OTHER ITEMS | |

BOARD OF WATER RESOURCES

Revolving Construction Fund

Funding Status

January 31, 2003

Funds Available for Projects This FY \$ 6,447,000

Projects Contracted This FY

1 Redmond Lake Irr Co	E072	\$	61,000
2 Brady Ditch Irr Co	E073		60,000
3 East Bench Irr Co	E079		445,000
4 Fremont Waterworks Co	E057		150,000
5 Deseret Irr Co (Ph II)	E101		88,000
6 Piute Res & Irr Co (Piute Dam)	C022	Grant **	2,752,500
7 Piute Res & Irr Co (Piute Dam)	C022	Loan **	197,500
8 Consolidated Sevier Bridge Res Co	C023	Grant **	650,000
Contracts for Dam Safety Studies			<u>79,000</u>

Total Funds Contracted	\$ 4,483,000
Funds Balance	<u>\$ 1,964,000</u>

Projects with Funds Committed

1 Parowan West Fields Irr Co	E044	\$	15,200
2 Callao Irr Co (Amend)	E008		32,000
3 East Bench Canal Co	E032		164,000
* 4 Fountain Green Irr Co	E042		230,000
5 Kays Creek Irr Co (Adams Dam) Amd	C001	Grant **	4,000
6 San Juan WCD (Recapture Dam)	C026	Grant **	2,020,000
Commitments for Dam Safety Studies			<u>161,000</u>

Total Funds Committed	\$ 2,626,000
Funds Balance	<u>\$ (662,000)</u>

Projects Authorized

1 Beaver Bench Irr Co	D918	\$	280,000
2 Croydon Pipeline Co	D962		35,000
3 North Canyon Irr Co	D955		315,000
4 Marion Waterworks Co	E053		320,000
5 Deseret Irr Co	E056		432,000
6 Porcupine Highline Canal Co	E062		85,000
* 7 Bear River Canal Co	E097		489,000
8 Consolidated Sevier Bridge Res Co	C023	Grant **	<u>4,100,000</u>

Total Funds Authorized	\$ 6,056,000
Remaining Funds Available	<u>\$ (6,718,000)</u>

* To be presented at Board Meeting

** Dam Safety Projects

BOARD OF WATER RESOURCES

Cities Water Loan Fund

Funding Status

January 31, 2003

Funds Available for Projects This FY	\$	2,297,000
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Projects Contracted This FY

1 Alpine Cove Water SSD	D930	\$	460,616
2 Metropolitan Water Dist of Pleasant Grove City	E081		12,000
3 Roy Water Conservancy Subdistrict	E085		19,000
4 Centerville City	E086		16,000
5 Hanna Water & Sewer District	D983		<u>1,371,000</u>
Total Bonds Closed		\$	1,879,000
Funds Balance		\$	<u>418,000</u>

Projects with Funds Committed

1		\$	-
Total Funds Committed		\$	-
Funds Balance		\$	<u>418,000</u>

Projects Authorized

1 Trenton Town	L534	\$	<u>1,304,000</u>
Total Funds Authorized		\$	1,304,000
Remaining Funds Available		\$	<u>(886,000)</u>

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

Conservation & Development Fund

Funding Status

January 31, 2003

Funds Available for Projects This FY	\$ 9,992,000
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Projects Contracted/Bonds Closed This FY

1 Price City	L540	\$ 2,885,000
2 Washington County WCD	E092	75,000
3 Weber Basin WCD	E093	150,000
4 Jordan Valley WCD	E094	<u>150,000</u>
Total Funds Contracted/Closed		\$ 3,260,000
Funds Balance		\$ <u>6,732,000</u>

Projects with Funds Committed

1 Midway Irr Co	E064	2,414,000
* 2 Magna Water Co an Improvement District	E068	815,000
* 3 Gunnison City	E088	477,000
* 4 Taylor-West Weber WID	E095	<u>825,000</u>
Total Funds Committed		\$ 4,531,000
Funds Balance		\$ <u>2,201,000</u>

Projects Authorized

1 Uintah WCD (Red Wash)	D730	\$ 1,940,000
2 Strawberry High Line Canal Co	D976	3,187,000
3 Kanab Irr Co	D968	62,000
4 Center Creek Culinary Water Co	E020	450,000
5 Uintah WCD (Island Ditch)	E036	720,000
6 Mountain Regional Water SSD	E040	1,675,000
7 Town of Brian Head	L541	1,700,000
8 New Santa Clara Field Canal Co	E069	930,000
9 Johnson Water District	E070	659,000
10 Ephraim Irr Co	E061	1,155,000
11 Centerville City	L544	1,142,000
12 Elsinore Town	L545	514,000
13 Tooele County	E080	700,000
14 Wolf Creek Water Conservancy Inc.	E089	611,000
* 15 Richland Nonprofit Water Co	E087	<u>592,000</u>
Total Funds Authorized		\$ 16,037,000
Remaining Funds Available		\$ <u>(13,836,000)</u>

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

January 31, 2003

ADDITIONAL ACTIVE PROJECTS			Fund	Est. Board Cost	Total Cost
Authorized or Committed Projects					
1 Davis & Weber Counties Cnl Co (Ph 4)	D674	C&D		\$ 10,925,000	\$ 12,853,000
2 Carbonville Ditch Co	D887	RCF		462,000	597,000
3 Central Utah WCD (Prepay FY98,99,00)	D960	C&D		3,000,000	3,000,000
4 Washington County WCD (Ivins)	D925	C&D		1,390,000	5,100,000
5 Weber Basin WCD (Secondary Irr, Ph 2-5)	E029	C&D		28,369,000	33,375,000
6 Davis & Weber Counties Cnl Co(Cnl Rehab)	E035	C&D		18,230,000	21,447,000
7 Hooper Irr Co (Press Irr)	E060	C&D		16,575,000	19,500,000
Subtotal				\$ 78,951,000	\$ 95,872,000
Projects Under Investigation					
1 Downs Ditch Water Co	D899	RCF		\$ 7,500	\$ 10,000
2 K Ranch LLC	D954	RCF		206,250	275,000
3 Keith Johnson	D996	RCF		37,500	50,000
4 Marion Park Estates	E065	RCF		173,250	231,000
5 Mayfield Irr Co	E067	RCF		187,500	250,000
6 Rock Dam Irr Co	E083	RCF		37,500	50,000
7 Upper Sevier River WCD	E098	RCF		1,350,000	1,800,000
8 Summit County Service Area #3	E045	CWL		414,750	553,000
9 Woodruff Irrigating Co	D680	C&D		600,000	800,000
10 Kane County WCD	D828	C&D		1,500,000	2,000,000
11 Richfield City	D898	C&D		450,000	600,000
12 Uintah WCD (Leota Bench)	D944	C&D		750,000	1,000,000
13 East Carbon City (Dam)	D969	C&D		7,500,000	10,000,000
14 Gunnison Butte Mutual Irr Co	E004	C&D		1,254,000	1,475,000
15 Town of Altamont	E012	C&D		142,500	190,000
16 City of South Jordan	E034	C&D		2,253,000	3,004,000
17 Hyrum Blacksmith Fork Irr Co	E047	C&D		2,025,000	2,700,000
18 East Juab County WCD	E071	C&D		375,000	500,000
19 New Escalante Irr Co	E077	C&D		5,625,000	7,500,000
20 Ferron Canal & Res Co	E082	C&D		-	-
21 Whiterocks Irr Co	E084	C&D		1,500,000	2,000,000
22 Parowan City	E090	C&D		204,000	272,000
23 Logan, Hyde Park, Smithfield Canal Co	E096	C&D		1,301,250	1,735,000
24 City of Cedar Hills	E099	C&D		4,331,250	5,775,000
25 Newton Water Users Association	E100	C&D		1,001,250	1,335,000
* 26 West Point City	L456	C&D		1,248,000	1,664,000
Subtotal				\$ 34,474,500	\$ 45,769,000
TOTAL				\$ 113,425,500	\$ 141,641,000

* New Applications

BOARD OF WATER RESOURCES

January 31, 2003

Long Term Large Water Conservation Projects

1 Sanpete WCD (Narrows Dam)	D377
2 Wayne County WCD	D494
3 Cedar City Valley Water Users	D584
4 Bear River WCD	D738
5 Mapleton City	D886

BOARD OF WATER RESOURCES

Feasibility Report

Conservation and Development Fund

Appl. No.: **E-087**
Received: 7/25/02
Approved: 8/9/02

To be Presented at the January 31, 2003 Board Meeting

SPONSOR: ***RICHLAND NONPROFIT WATER COMPANY***

President: Robert Wood

LOCATION: The proposed project is located about one mile north of Laketown, on the southeast side of Bear Lake in Rich County.

EXISTING CONDITIONS & PROBLEMS: There are four water systems along the south shore of Bear Lake: Laketown, South Bear Lake Water Users Co-op, South Shore Special Service District, and Falula Farms, Inc., as well as approximately 100 individual wells. Since these systems are at or near capacity, there is little or no growth in the area.

Laketown currently owns and operates a spring-fed culinary water system with capacity for 100 connections. They are serving 112 connections and have eight homes under construction. The system is dependable and offers adequate storage and distribution system with fire hydrants; however, it is not in compliance with the Division of Drinking Water Standards for a needed second source of supply, nor can it sustain any future growth because it lacks additional water rights.

South Bear Lake Water Users Co-op began serving water in 1972 to 36 connections from a well-fed system with gravity distribution. The system uses 4-inch transmission lines and is at full capacity. It has no fire hydrants or capacity to support fire

suppression, which increases property owner insurance. It also does not have power backup or a metering system. The system is at capacity and will not support additional growth.

South Shore Special Service District serves the Rendezvous State Park as well as 10 homes. This system has a 160 gpm well and pressurized storage tanks located in close proximity to the park. The distribution system is adequate for the connections, but is inadequate for the existing fire hydrants to operate. There will be no future growth on this system.

Falula Farms Water System serves eight connections and is located at the northern point of the south shore area. The system has 4-inch distribution lines that are 20 years old and does not have fire hydrants, meters, or enough storage for fire suppression. It is expected that this system would increase to 14 connections over the next 15 years if the system had appropriate capacity.

There are also about 100 individual wells serving 180 connections along the south shore. Many of these wells produce poor quality water that is high in iron and sulfur but residents have no other choice for water service. These small wells serve as many as six structures, but have no meters, storage, or fire suppression capability. About 60 connectors are interested in hooking up to a public water system immediately. It is anticipated another 40 would connect by 2020 if there were an available system.

With all systems at or near capacity, individual wells are currently the only option for future growth. These wells are shallow and costly, making it difficult for Laketown and Rich County to comply with state-imposed affordable housing requirements (Utah Code Title 17, Title 10). All of these systems are interested in incorporating into a larger better system if water delivery can be guaranteed and the costs are reasonable. Several landowners would also like to develop 130 connections, including 24 affordable housing units, along the south shore. They included Lake Vista Properties (40 connections; see map) which has been annexed by Laketown and is expected to begin construction by summer, 2003; Wood Family Development (120 connections; see map),

expected to begin Phase I (65 connections) by summer, 2003, (including 12 of the affordable housing units); and Clark Willis (30 connections; see map) who will begin development by 2005. The Richland Nonprofit Water Company has recently been formed to regionalize the water systems and to aid in future development of the area.

Rich County and Laketown have resolutions supporting the consolidation and regionalization of these water

systems. No formal agreements have been made with the sponsor.

PROPOSED
PROJECT:

The Richland Nonprofit Water Company is requesting financial assistance from the board to develop a public water system for the south shore of Bear Lake to serve the existing 200 connections and allow an increase of 400 total residential connections over the next 15-20 years. The project includes construction of a 300,000 gallon reservoir with piping and telemetry, a 10-inch well, 10 and 12-inch transmission pipelines, 8-inch distribution pipelines, water meters, and fire hydrants.

The project fits in Prioritization Category 2 (municipal project required to meet existing or impending need).

COST ESTIMATE: The following cost estimate is based on the engineer's preliminary design and has been reviewed by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	300,000 Gallon Concrete Reservoir	LS	\$220,000	\$ 220,000
2.	Telemetry for Pump & Tank	LS	14,000	14,000
3.	10-inch Well	LS	105,000	105,000
4.	Pump House	LS	20,000	20,000
5.	Pump & Appurtenances	LS	52,500	52,500
6.	Chlorinator	LS	10,500	10,500
7.	Fencing	LS	2,600	2,600

8.	PVC Pipe			
	12-inch	5,400 LF	19.00	102,600
	10-inch	5,600 LF	17.50	98,000
	8-inch	23,000 LF	15.00	345,000
9.	Fire Hydrant	18 EA	2,500	45,000
10.	Water Meters & Service Taps	116 EA	650	75,400
11.	Laketown Bi- directional Meter	LS	5,000	5,000
12.	State Park Bulk Meter	LS	800	800
13.	Valves & Appurtenances	LS	59,500	59,500
14.	Administrative Office	LS	40,000	40,000
15.	Easements	LS	20,000	<u>20,000</u>
	Construction Cost			\$1,215,900
	Contingencies			121,600
	Legal and Administrative			30,000
	Design and Construction Engineering			171,500
	Water Rights			<u>228,000</u>
	TOTAL			\$1,767,000

COST SHARING
& REPAYMENT:

The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
USDA (Proposed Grant)	\$ 479,000	27%
CDGB (Proposed Grant)	150,000	8
(dependent on BWRe funds)		
Laketown	40,000	2
South Shore Special Service District	24,000	1
South Bear Lake Water Users Co-op	21,000	1
Wood Family Development	185,000	11
Lake Vista Properties	84,000	5
Clark Willis	51,000	3
South Shore Residents	141,000	8
Board of Water Resources	<u>592,000</u>	<u>34</u>
TOTAL	\$1,767,000	100%

Contributions by the various systems, except Laketown, include the value of water rights that will be turned over to the Richland Nonprofit Water Company. The sponsor will also obtain money for its share of the project cost by having developers prepay an impact fee of \$1,100 per connection to reserve connections. Developers will also be responsible for the distribution facilities to serve their developments.

If the board authorizes the project, it is suggested that the \$592,000 be repaid in 25 years at 5% interest with annual payments of approximately \$42,000.

ECONOMIC
FEASIBILITY:

Economic feasibility is achieved when the project has a benefit/cost ratio of at least one to one. The benefit side of the ratio is estimated as the cost of the next best alternative means for delivering the same service as will be provided by the project proposed by the sponsor. The cost side is estimated as the combined cost of constructing the project and operating, maintaining, and replacing components as they wear out over the 50-year life of the project. All benefits and costs are discounted to present value using the division's discount rate of 3.9%.

Staff and the sponsor considered two alternatives to the proposed project: 1) take no action except to make repairs to the current system; and 2) use treated water from Big Creek as the primary source of supply rather than drilling a well.

Alternative 1 was deemed unacceptable because it would cost almost as much as the proposed project and would not allow as much new growth to occur. It may also be difficult to bring the entire system into compliance with current health regulations with this alternative.

Alternative 2 was determined to be the next best source of water for the project area, and was used to estimate benefits for the proposed project. Other improvements, including pipelines, storage tank, fencing, etc., would remain the same as shown in this report for the proposed project. The treatment plant for this alternative is more costly than drilling and equipping a well and building a pump house. Also, the operation and maintenance costs associated with the treatment plant are higher than for the well. These two factors combine to make the proposed project the better choice with a benefit/cost ratio of 1.27.

FINANCIAL
FEASIBILITY:

Based on the board's current water service affordability guidelines, the residents of the south shore area could pay up to \$34.69 monthly for water. The cost of the water with the proposed project, based on 200 connections when the first annual payment is due in 2004, is as follows:

	<u>Annual Cost</u>	<u>Cost/Conn/Mo</u>
Operation & Maintenance	\$ 54,200	\$ 22.58
Proposed BWRe Loan	42,000	17.50
Leased Water to upstream irrigators	<u>(10,000)</u>	<u>(4.17)</u>
TOTAL	\$ 86,200	\$ 35.91

The company is planning to charge a base rate of \$32.00 per month per residential connection. The overage charges have not yet been determined. Laketown will pay \$300 monthly for its connection, and an additional fee for water used. Unused water rights will be leased to upstream irrigators.

BENEFITS:

Regionalizing the system will provide for future development of the area, as well as provide a more reliable and safer drinking water source and fire suppression capability.

PROJECT
SPONSOR:

The Richland Nonprofit Water Company was incorporated in 2002. The area population is 774, which includes 197 residents in Laketown (95% full-time, 5% part-time) and 577 residents in the surrounding area (60% full-time, 40% part-time). The Governor's Office of Planning and Budget projects an average annual growth rate of 0.6% annually over the next 20 years. Based on an economic study conducted by James Wood, Interim Director of Business & Economic Research for the University of Utah, the sponsor believes the growth rate will be higher than the 0.6% prediction, resulting in 400 total residential connections by 2020. The sponsor also believes the installation of a public sewer system will aid in future growth.

The sponsor has not received funding from the board in the past, nor have the individual systems with the exception of Laketown.

WATER RIGHTS
& SUPPLY:

The company will take title to water rights owned by South Bear Lake Water Users Co-op, Falula Water System, Rendezvous State Park, and the individual well owners and developers along the south shore. The Laketown connection will have a bi-directional meter and water charges will be assessed according to use.

The following table shows water right numbers held by each entity and the amount of water that will be turned over to the sponsor:

	<u>Water Right No.</u>	<u>Acre-Feet</u>
South Bear Lake Water	23-3742	78.30
Users Co-op	23-3404	
	23-3517	
South Shore Special	23-3507	87.00
Service District		
Falula Farms	23-3355	30.45
	23-808	
Individual well owners	Various	130.00
Wood Family Development	23-149	348.00
	23-150	
	23-151	
	23-152	
	23-242	
	23-98	
	23-154	
Lake Vista Properties	23-1632	87.00
Clark Willis	23-3623	65.25
	23-3637	
TOTAL		826.00

EASEMENTS:

The sponsor will be responsible for all necessary easements to complete the project.

ENVIRONMENTAL:

The sponsor will be responsible to ensure that environmental disruption is minimized as the new system is installed.

WATER
CONSERVATION:

The sponsor will be required as a condition of funding to prepare a Water Management and Conservation Plan and implement a progressive water rates structure.

STAFF
RECOMMENDATION:

Staff recommends the sponsor be required to get signed agreements from Laketown, South Bear Lake Water Users

Co-op, South Shore Special Service District and Falula Farms, Inc. and 50% of the individual well owners. Staff also recommends that these entities be required to connect to the system within 5 years.

SPONSOR'S RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.
2. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:
 - a. Assign properties and easements required for the project to the Board of Water Resources.
 - b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.
3. Have an attorney give the Board of Water Resources a written legal opinion that:
 - a. The company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.
 - b. The company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.
 - c. The company has obtained all permits required for the project.
4. Have an attorney give the Board of Water Resources a written legal opinion that:
 - a. The company owns all easements and rights-of-way for the project, as well as the land on which the project is located, and that title to

these easements, rights-of-way, and the project itself can be legally transferred to the Board.

b. The company's water rights applicable to the project are unencumbered and legally transferable to the Board of Water Resources.

In lieu of an attorney's opinion, the company may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way, land, and water rights necessary for the project.

5. Obtain approval of final plans and specifications from the Division of Water Resources and Division of Drinking Water.

6. Prepare a water management and conservation plan for its service area, and obtain approval of it from the Division of Water Resources.

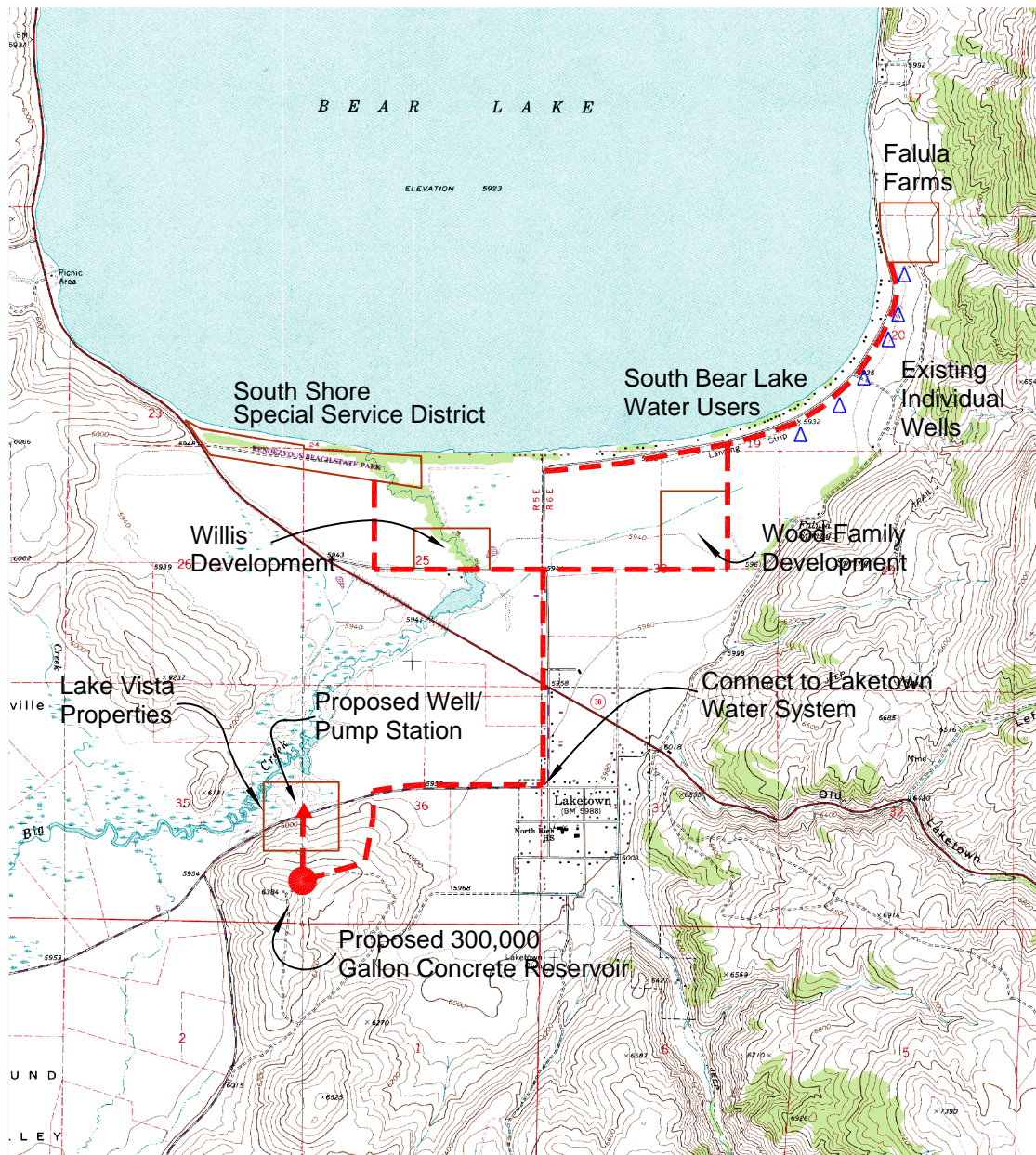
7. Adopt an ordinance restricting outdoor watering from 10:00 a.m. to 6:00 p.m.

PROJECT
CONTACT
PEOPLE:

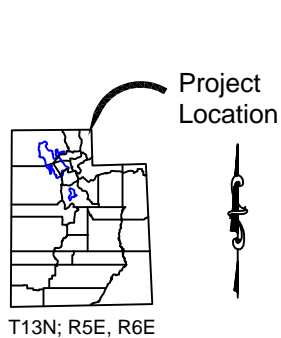
President: Robert Wood
47 East Cisco Road
Laketown, UT 84038
Phone: (435) 946-3590

Project Manager: Brian Wood
47 East Cisco Road
Laketown, UT 84038
Phone: (435) 946-3590

Engineer: Cache-Landmark Engineering
Lance Anderson
666 North Main
Logan, UT 84321
Phone: (435) 713-0099



RICHLAND WATER COMPANY **Proposed Water System** **Rich County**



- △ Existing Individual Wells
- Proposed Pipeline
- ▲ Proposed Well/Pumphouse
- Proposed Reservoir

BOARD OF WATER RESOURCES

Feasibility Report

Revolving Construction Fund

Appl. No.: **E-097**
Received: 10/29/02
Approved: 11/8/02

To be Presented at the January 31, 2003 Board Meeting

SPONSOR: ***BEAR RIVER CANAL COMPANY***

President: Charles Holmgren

LOCATION: The proposed project is located on the Malad River about two miles south of Plymouth in Box Elder County.

EXISTING CONDITIONS & PROBLEMS: The Bear River Canal Company diverts water from Cutler Dam to serve approximately 65,000 acres through 130 miles of transmission canals from Fielding in the north to Brigham City in the south. In addition to the agricultural land, the system provides water for lawns and gardens to most homes in the area, and to recreational facilities, schools, and two golf courses.

On one of the main canals (400 cfs) there is a steel flume truss structure that conveys water over the Malad River. The truss was built around 1900 and serves about 1/2 of the land irrigated by the sponsor. The steel beams and columns supporting the flume have weathered and show signs of corrosion. Most of the steel is rusted and the steel pin connections have corrosion problems. Some of the connections show signs of disintegration inside the joints due to water trapped inside the connection. Because of this, the connecting plates are distorted or bent. All of the concrete pier foundations appear to be in good condition.

While the structure has held up well over the past 100 years, there is concern it may not be able to

withstand an earthquake load due to the deterioration of the joints. If the structure fails, there would be substantial property damage liability and loss of water to land served by the flume.

PROPOSED
PROJECT:

The sponsor is requesting financial assistance from the board to replace the steel flume structure with 550 feet of inverted siphon that will be installed under the Malad River. Technical assistance is being provided by Gardner Engineering in Ogden.

The project fits in Prioritization Category 1 (project which involves public health problems, safety problems, or emergencies).

COST ESTIMATE:

The following cost estimate was provided by the engineer and has been reviewed by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	Mobilization	LS	\$ 5,000	\$ 5,000
2.	Demolition	LS	50,000	50,000
3.	10-foot Diameter Steel Pipe	550 LF	424	233,200
4.	Pipe Excavation Backfill, and Road Crossing	5,500 CY	6.00	33,000
5.	Pipe Installation	550 LF	80	44,000
6.	Concrete	160 CY	240	38,400
7.	Concrete Pumping	80 CY	35	2,800
8.	Rebar	27,000 LB	.70	18,900
9.	Blowoff	LS	3,500	3,500
10.	Temp. Stream Diversion	LS	8,000	8,000
11.	Trash Rack	LS	13,000	13,000
12.	Channel Safety Equipment	LS	7,000	7,000
13.	21-inch Side Channel Spillway	LS	15,000	15,000
14.	Channel Cofferdams	2 EA	2,600	5,200
Construction Cost				\$477,000
Contingencies				48,000
Legal and Administrative				15,000
Design and Construction Engineering				71,000
TOTAL				\$611,000

COST SHARING
& REPAYMENT:

The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 489,000	80%
Sponsor	<u>122,000</u>	<u>20</u>
TOTAL	\$ 611,000	100%

If the board authorizes the project, it is suggested it be purchased with approximate annual payments of \$49,000 at 0% interest over 10 years. This is equivalent to about \$0.75 per share based on 65,000 acres.

FINANCIAL
FEASIBILITY:

The cost of water with the proposed project, based on 65,000 acres, is as follows:

	<u>Annual Cost</u>	<u>Cost/Share</u>
Operation & Maintenance	\$ 673,000	\$ 10.35
Proposed BWRe Loan	<u>49,000</u>	<u>0.75</u>
TOTAL	\$ 722,000	\$ 11.10

The sponsor currently assesses \$10.00 per share (one share represents the water needed to irrigate an acre). The company plans to raise assessments to pay for the project.

BENEFITS:

The proposed project is necessary for safety in the event of an earthquake. Also, there is a hydraulic jump at the end of the flume, which is a hazard to swimmers and tubers; as an additional benefit of the project, the new siphon will have safety devices to prevent swimmers from entering the inverted siphon.

PROJECT
SPONSOR:

The Bear River Canal Company was incorporated November 28, 1979, and is currently in good standing with the state Department of Commerce. The company delivers water to irrigation companies from Fielding in the north to Brigham City in the south. It serves approximately 65,000 acres of land on both sides of the Bear River and delivers up to 900 cfs through more than 128 miles of transmission canals.

In 1984 the board assisted the sponsor in replacing a washed out flume with an inverted siphon pipeline.

In 1986 the board assisted it in replacing several flumes on its canal system. The financial assistance for these projects has been repaid. In 1990, the board assisted the sponsor with \$83,000 to replace a flume with an inverted siphon pipeline; this financial assistance will be returned by 2014. In 1991, the board assisted the sponsor with \$62,000 to replace a section of earthen canal with PVC pipe. The financial assistance will be returned by 2007.

WATER RIGHTS
& SUPPLY: The sponsor has the right to divert 900 cfs from the Bear River as described in the Kimball Decree.

EASEMENTS: The sponsor owns the land where the existing flume structure is located, which is the alignment of the proposed project.

ENVIRONMENTAL: Little or no disruption to the environment is expected to occur.

WATER
CONSERVATION: The sponsor will be required to submit a Water Management and Conservation Plan as a condition of funding.

SPONSOR'S
RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Obtain a stream alteration permit from the State Engineer.

2. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.

3. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:

- a. Assign properties and easements required for the project to the Board of Water Resources.

b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.

4. Have an attorney give the Board of Water Resources a written legal opinion that:

a. The company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.

b. The company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.

c. The company has obtained all permits required for the project.

5. Have an attorney give the Board of Water Resources a written legal opinion that:

a. The company owns all easements and rights-of-way for the project, as well as the land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the Board.

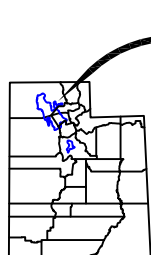
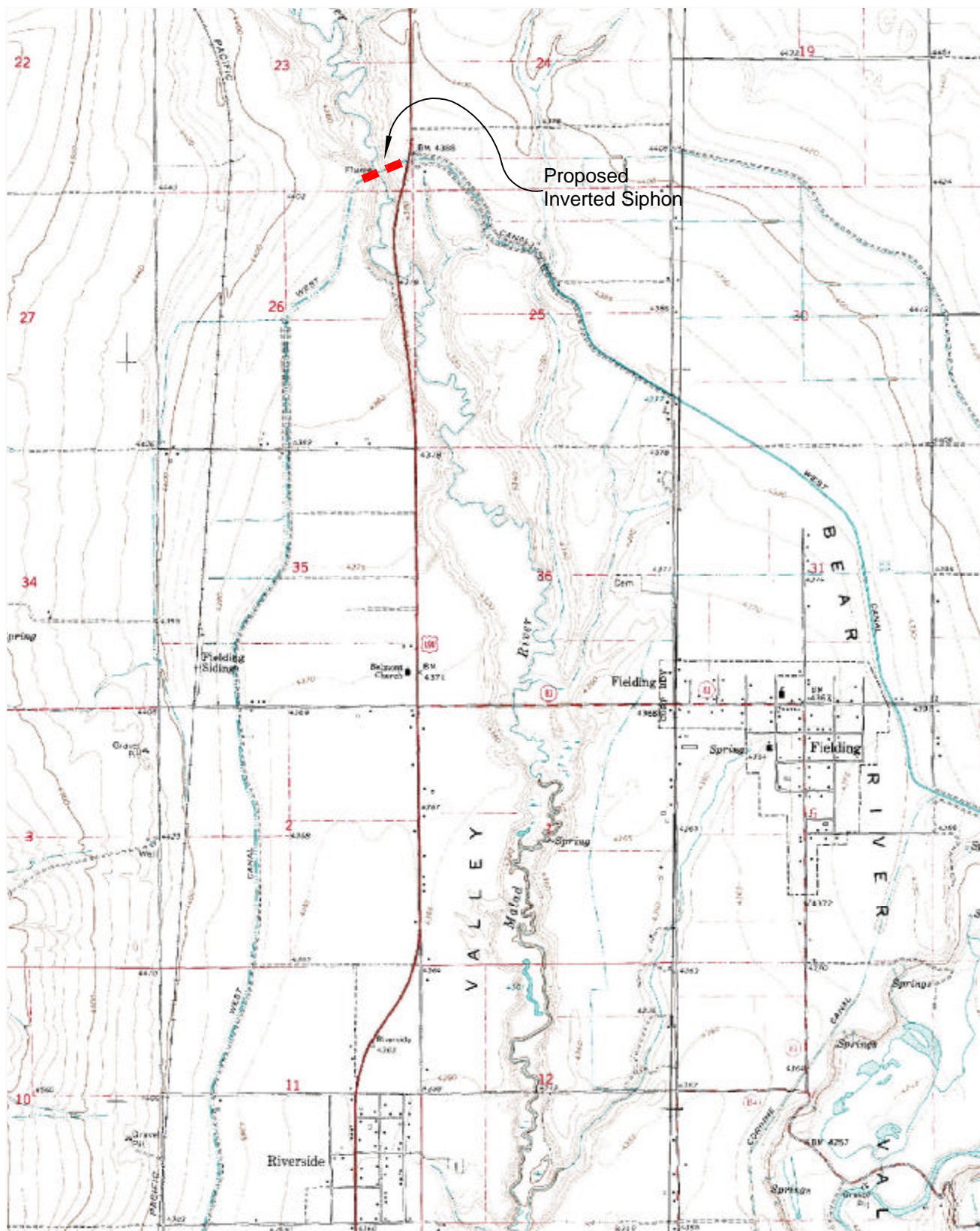
b. The company's water rights applicable to the project are unencumbered and legally transferable to the Board of Water Resources, and that they cover the land to be irrigated by the project.

In lieu of an attorney's opinion, the company may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way, land, and water rights necessary for the project.

6. Obtain approval of final plans and specifications from the Division of Water Resources and Division of Drinking Water.

7. Prepare a water management and conservation plan for its service area, and obtain approval of it from the Division of Water Resources.

PROJECT	President:	Charles Holmgren
CONTACT		275 North 1600 East
PEOPLE:		Tremonton, UT 84337
		Phone: (435) 257-5975
	Secretary:	Dave Styer
		275 North 1600 East
		Tremonton, UT 84337
		Phone: (435) 257-5975
	Engineer:	Ken Gardner
		Gardner Engineering
		5875 S. Adams Ave,
		Parkway Suite 200
		Ogden, UT 84405
		Phone: (801) 476-0202

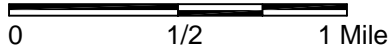


T13N: R3W

Project
Location



Scale



BEAR RIVER CANAL COMPANY
Proposed Inverted Siphon
Box Elder County

BOARD OF WATER RESOURCES

Committal of Funds

Revolving Construction Fund

Appl. No.: **E-042**
Received: 11/3/00
Approved: 12/8/00
Authorized: 3/14/02

To be Presented at the January 31, 2003 Board Meeting

SPONSOR: ***FOUNTAIN GREEN IRRIGATION COMPANY
(BIG SPRINGS DIVISION)***

President: Bob Hansen
P.O. Box 164
Fountain Green, UT 84632
Phone: (435) 445-3541

LOCATION: The proposed project is located in and around
Fountain Green City, about eight miles north of
Moroni in Sanpete County.

PROJECT SUMMARY: The sponsor is requesting technical and financial
assistance from the board to improve its pressurized
irrigation system by replacing pressure reducing and
other valving in each of the system's five stations,
replacing small PVC pipe with larger pipe to increase
pressures in "unbalanced" areas, replacing a concrete
ditch with polyethylene pipe, and constructing a new
pipe inlet structure including control gate and self-
cleaning screen.

COST ESTIMATE & SHARING: The current project cost estimate exceeds that
authorized due to additional pipe needed to provide
adequate water supply and pressure in one section of
the system. The authorized and proposed cost sharing
are:

<u>Agency</u>	<u>Authorized Cost Sharing</u>	<u>Proposed Cost Sharing</u>	<u>% of Total</u>
BWRe	\$212,000	\$230,000	85%
Sponsor	<u>38,000</u>	<u>41,000</u>	<u>15</u>
TOTAL	\$250,000	\$271,000	100%

PURCHASE
AGREEMENT:

The purchase agreement authorized by the board requires the project to be purchased in 25 years at 0% interest with annual payments of approximately \$8,500. If the board commits funds to the project, it is proposed the \$230,000 be returned in 25 years at 0% interest with annual payments of approximately \$9,200.

STAFF COMMENTS:

The sponsor's access to any funds committed to its project is subject to availability of funds at the time a contract is to be signed with the board.

BOARD OF WATER RESOURCES

Committal of Funds

Conservation and Development Fund

Appl. No.: **E-068**
Received: 12/21/01
Approved: 1/25/02
Authorized: 3/14/02

To be Presented at the January 31, 2003 Board Meeting

SPONSOR: **MAGNA WATER COMPANY AN IMPROVEMENT DISTRICT**

District Manager: Ed Hansen
2711 South 8600 West
Magna, UT 84044
Phone: (801) 250-2118

LOCATION: The proposed project is located in the unincorporated community of Magna in northwestern Salt Lake County.

PROJECT SUMMARY: The sponsor is in the process of constructing Phase I of a secondary irrigation system, with plans to eventually expand the system to cover the entire district. The project includes a five acre-foot regulating pond, several shallow wells, 2½ miles of transmission pipeline, and enhancements to a wetlands area within the district.

Modifications have been made in the area Phase I will initially serve. These changes, as well as other revisions made during design, resulted in upsizing many of the proposed pipelines and extending several lines in order to provide adequate capacity to serve this and future phases.

The district has obtained grant funding from the Central Utah Water Conservancy District (CUWCD) and has installed approximately 1,700 feet of pipeline in conjunction with a county road project. It is in the process of drilling a well and intends to put the remainder of the project out to bid this winter and early spring.

COST ESTIMATE
& SHARING:

Changes in the design and property costs for the pond site have increased the overall cost of the project. The authorized and proposed cost sharing of Phase I are:

<u>Agency</u>	<u>Authorized Cost Sharing</u>	<u>% of Total</u>	<u>Proposed Cost Sharing</u>	<u>% of Total</u>
BWRe	\$ 700,000	45%	\$ 815,000	48%
CUWCD Grant	700,000	45	700,000	42
Sponsor	<u>150,000</u>	<u>10</u>	<u>175,000</u>	<u>10</u>
TOTAL	\$1,550,000	100%	\$1,690,000	100%

PURCHASE
AGREEMENT:

The board authorized loan terms of 1% interest over 25 years with annual payments of approximately \$33,300. If the board commits funds to the project, it is proposed the project be purchased at 1% interest over 25 years with annual payments of approximately \$37,000.

STAFF COMMENTS:

The sponsor's access to any funds committed to its project is subject to availability of funds at the time a contract is to be signed with the board.

BOARD OF WATER RESOURCES

Committal of Funds

Conservation & Development Fund

Appl. No.: **E-088**
Received: 8/19/02
Approved: 9/20/02
Authorized: 11/8/02

To be Presented at the January 31, 2003 Board Meeting

SPONSOR: **GUNNISON CITY**

Mayor: Mark Henline
38 West Center
P.O. Box 790
Gunnison, UT 84634
Phone: (435) 528-7969

LOCATION: The proposed project is located in and around
Gunnison City in Sanpete County.

PROJECT SUMMARY: Gunnison City is requesting financial assistance from
the board to make improvements to its pressurized
secondary irrigation system by dividing it into two
systems. A 21-inch PVC pipeline will be installed to
divert water from the Highland Canal about two miles
north of its existing diversion. Along this pipeline
the city will construct a 17 acre-foot regulating
pond. This system will serve the north side of
Gunnison. The south side will continue to be served
by the existing system, with an 18-inch PVC pipeline
added for additional capacity. In addition, the city
will install flush valves, loop some pipes in town,
remove some sediment from an existing pond, and
purchase additional water shares from the Gunnison
Irrigation Company as they become available.

COST ESTIMATE & SHARING: The proposed cost estimate and sharing remain the
same as authorized:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 477,000	37%
Central Utah WCD (Sec. 206)	650,000	51
Sponsor	<u>160,000</u>	<u>12</u>
TOTAL	\$1,287,000	100%

REPAYMENT: If the board commits funds to the project, it is proposed the repayment terms remain as authorized: the bonded indebtedness of \$477,000 will be repaid in 21 years at 1% interest with payments ranging from approximately \$16,000 to \$64,600.

STAFF COMMENTS: The city's access to any funds committed to its project is subject to availability of funds at the time a bond is to be sold to the board.

BOARD OF WATER RESOURCES

Committal of Funds

Conservation and Development Fund

Appl. No.: **E-095**
Received: 9/16/02
Approved: 11/8/02
Authorized: 12/20/02

To be Presented at the January 31, 2003 Board Meeting

SPONSOR: **TAYLOR-WEST WEBER WATER IMPROVEMENT DISTRICT**

Chairman: Val Surrage
4460 West 1150 South
Ogden, UT 84404
Phone: (801) 731-1668

LOCATION: The proposed project is located in the unincorporated communities of Taylor and West Weber, and portions of Hooper and West Haven in western Weber County.

PROJECT SUMMARY: The sponsor is requesting financial assistance from the board to improve its culinary water system by constructing a two million gallon water storage tank and booster pumping facility, installing pipeline to connect the tank to the existing system, and replacing 1,050 water meters.

COST ESTIMATE & SHARING: The proposed cost estimate and sharing remain the same as authorized:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 825,000	75%
Sponsor	<u>275,000</u>	<u>25</u>
TOTAL	\$1,100,000	100%

PURCHASE
AGREEMENT:

If the board commits funds to the project, it is proposed the purchase agreement remain as authorized: the project will be purchased in 20 years at 5% interest with annual payments starting at approximately \$51,800 and increasing to about \$90,800.

STAFF COMMENTS:

The sponsor's access to any funds committed to its project is subject to availability of funds at the time a contract is to be signed with the board.

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **L-546**
Received: 1/10/03

SPONSOR: **WEST POINT CITY**

Mayor: John Petroff
3200 West 300 North
West Point, UT 84015
Phone: (801) 776-0970

LOCATION: The proposed project is located in West Point City in Davis County.

PROPOSED PROJECT: The city is requesting assistance to improve its culinary water system by constructing a two million gallon culinary water storage tank and installing pipeline to connect it to the existing system.

WATER RIGHTS: 31-1828, 2577, 3205

COST ESTIMATE: \$1,664,000

Unapproved
MINUTES

BOARD OF WATER RESOURCES
BRIEFING MEETING

December 20, 2002

Room 314, Department of Natural Resources
Salt Lake City, Utah

BOARD OF WATER RESOURCES

Briefing Meeting
December 20, 2002

The Board of Water Resources held a briefing meeting on December 20, 2002 at 8:00 a.m. in Room 314 at the Department of Natural Resources Building in Salt Lake City, Utah.

The following people were in attendance:

BOARD MEMBERS

Paul Riley
Lucille Taylor
Cleal Bradford
Ivan Flint
Brad Hancock
Harold Shirley
Warren Peterson
Bill Marcovecchio

STAFF MEMBERS

Larry Anderson
Dennis Strong
Eric Millis
Nancy Fullmer
Steve Wilde
Todd Adams
Todd Stonely
Tom Cox

VISITORS

Sherm Hoskins
Norman Johnson

Chair Warren Peterson called the meeting to order and wished everyone a Merry Christmas. He told the Board members about his conversation the previous evening with Governor Leavitt, and said the Governor asked him to convey the message that he does not want the recent publicity to be a negative reflection on the boards and he would like to meet with the board members in January to explain his policy as it relates to long-term funding of water projects. The Governor desires to have the sales tax revenues returned to the general fund to be used for education and to find a permanent long-term source of dedicated funding for water projects.

Director Anderson handed out a copy of the Governor's proposal to reduce water tax subsidies, which also included a sheet listing education and water facts. He encouraged the Board members to review the proposal so they could understand what the Governor wants. Mr. Anderson also handed out a copy of the recent legislation that adjusts the sales and use tax act; the bill was passed in the 2002 Sixth Special Session in December. The bill makes modifications to the amount of funding coming from the 1/16% sales tax dedicated for water.

The Board members discussed some of the options reviewed by the Governor's Task Force for funding water projects. Chair Peterson said the subcommittee concluded the best alternative was using the sales tax. He said there is a legislative meeting on Monday that has been called by the co-chairs of the task force. They want to know the boards' loan criteria and decide if the policies and statutes need to be changed. There is criticism of loaning to communities or groups that can go to the market and fund their own projects. Director Anderson said he feels what the Board of Water Resources has done is in compliance with the state statutes and followed the Board's criteria.

STAFF ACTIVITIES

Bear River Basin Report

Eric Millis handed out copies of the revised report of the "Bear River Basin Planning for the Future Public Review Draft". The reports will be distributed for public review at the public meetings being held throughout the Bear River Basin in January. Mr. Millis also handed out a memo listing the schedule of the public meetings.

The Board members were encouraged to read the report, give their comments to staff by February and attend the meetings if they so desired. Paul Riley said he has reviewed the report and would plan to attend the meetings. The Board members gave approval for staff to hold the meetings and distribute the draft report. Mr. Millis said the document will be available on the internet and anyone can request copies. Comments will be received for 30 days, and justified comments will be included in the final document that will be published about May or June.

Subcommittee Report

Chair Peterson said at the Board meeting held in Blanding, the Board set up a subcommittee to evaluate a policy on purchasing bond insurance. He appointed Paul Riley to be chair of the subcommittee.

Mr. Riley said the subcommittee did not review credit enhancements and interest buydown agreements, but concentrated their effort on providing grants for bond insurance. He said the Board gets more leverage for the funds they have by providing funds to purchase bond insurance. Providing a grant for bond insurance is the motion that the subcommittee unanimously approved (copy attached).

Chair Peterson thanked the Board members who served on the subcommittee – Paul Riley, Lucille Taylor, Brad Hancock and Ivan Flint. In order to implement the subcommittee's recommendation as Board policy, this item will be added to the agenda for the next Board meeting. Dennis Strong asked if it was possible to instruct the staff to follow the Board's direction without making it a policy; the Board members preferred it be a written policy. Paul Riley made the motion, seconded by Lucille Taylor, that the Board adopt the policy recommendation from the subcommittee and it be put on the agenda for adoption at the next Board meeting. The motion passed unanimously.

DISCUSSION OF PROJECTS

Wolf Creek Water Conservancy Inc.

Ivan Flint said he met with Lowell Peterson, Vice President of the company, and looked at the proposed project area. They want to quit using treated water on the lawns and gardens. Some of the Board members expressed concern about the company being a for-profit entity and asked if they could form a non-profit water company. Dennis Strong said it is fine with staff, but the Board has funded for-profit companies in the past.

Steve Wilde said the Board has previously funded three projects located in the same vicinity out of the Revolving Construction Fund. The Board members questioned why the sponsor wasn't being charged interest. Staff said it meets the guidelines for the Revolving Construction Fund and funds are available in that fund. Director Anderson said if it is funded from that fund, it would be 0% interest; but it could be moved to the Conservation and Development Fund. Mr. Wilde suggested the annual repayments remain the same and the years be extended if the Board decides to charge interest because they are exceeding the affordability guidelines. Dennis Strong said staff could have the numbers at the Board meeting if the Board wants to request the sponsor pay 3% interest over 20 or 25 years.

Taylor-West Weber Water Improvement District

Chair Peterson said he had several issues on this report. He considers the replacing of 1,050 water meters a maintenance item; also the water rates have been extremely low. He said

the Board funding would be more secure if the district issued a bond rather than signed a contractual agreement. Director Anderson said over the years the Board has done it both ways; it is cheaper to sign a contract than to issue a bond.

Tom Cox said the district officials had started replacing meters on their own and they were planning to do it over the next few years. It was staff that suggested the district include the purchase and installation of meters as part of the project because meters are necessary to implement water conservation based water rates.

Committal of Funds

Lucille Taylor said East Bench Canal Company had problems that were partly their creation since they started to dig before they had the funding. She said she scolded them for starting construction, but they need to finish the project. They will come in with a request for a loan of about \$100,000 less than the amount authorized by the Board since the sponsor procured additional funds. Steve Wilde said the annual payment of \$14,000 should remain fixed and the years would float.

The Board previously authorized phases one and two for the Midway Irrigation Company's pressurized irrigation project. Lucille Taylor said the Board funded phase one, and now the sponsor wants funds committed for phase two.

Dam Safety

Consolidated Sevier Bridge Reservoir Company

Chair Peterson said Clyde Bunker will ask for 95% funding from the Board for the dam safety project for Consolidated Sevier Bridge Reservoir Company. Lucille Taylor said Juab County is in her area and Mr. Bunker did not contact her about the project. Mr. Peterson said it is a major dam on the Sevier River, but the dam is in Juab County so it is in Ms. Taylor's district. Chair Peterson said he will declare a conflict of interest.

Mr. Peterson said a 95% grant is consistent with what the Board funded on Piute and Otter Creek reservoir dam safety projects that are located on the Sevier River. Ms. Taylor said staff recommended 90% so she plans to make a motion for staff's recommendation.

Director Anderson said this is coming out of next year's money and there may or may not be any money. Warren Peterson said the snowpack in the Sevier River basin was the lowest in history so the reservoir can be drained next year without having to dump a lot of water into the desert. Lucille asked if the Board would have any money to loan the company until the Board receives dam safety money that could be used to replace the loan. Director Anderson said he did not think the company was ready to start construction since staff has not seen plans and specs for the project. The Board should know by the second week of March when the legislature ends if dam safety funds are appropriated. Dennis Strong said the Board could authorize the funds but not commit funds at this time.

San Juan Water Conservancy District

Cleal Bradford said the San Juan Water Conservancy District has an agreement with the Utah Department of Transportation (UDOT) to provide fill material for Recapture Dam and they want to start work before July. UDOT is providing 56% of the cost of the project. Director Anderson said staff will not know if the Board will have dam safety funds until after the legislative session ends in March. If the Board has no money and the district wants to move forward, they could possibly borrow the money. It should be approved subject to the availability of funds.

Special Items

Callao Irrigation Company

Lucille Taylor said Callao Irrigation Company has about completed their project but they need an additional \$32,000 to purchase a new pump. They had planned to reuse a pump from an old well but determined it could not be reused.

OTHER ITEMS

Chair Peterson said he had a correction in the minutes under the Director's Report. He thanked Sherm Hoskins for attending the briefing meeting. He said the next meeting will be January 31.

The briefing meeting adjourned at 9:50 a.m.

Unapproved
MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
December 20, 2002

Auditorium
Department of Natural Resources Building
1594 West North Temple
Salt Lake City, Utah

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SUMMARY OF BOARD ACTIONS

1. The Minutes of the November 8, 2002 Board meetings were approved with a one-word change. page 1
2. The Wolf Creek Water Conservancy Inc. project was authorized in the amount of \$611,000 (75%) to be purchased with annual payments starting at \$28,000 and increasing to \$43,000 at 3% interest over approximately 25 years, subject to availability of funds. The company is to be changed from a profit to a non-profit organization. page 2
3. The Board authorized the Taylor-West Weber Water Improvement District project in the amount of \$825,000 (75%) to be purchased at 5% interest with annual payments starting at approximately \$51,800 and increasing to about \$90,800 over 20 years. The project is subject to availability of funds. page 3
4. Funds were committed to the Hanna Water and Sewer District project in the amount of \$1.371 million (29.8%) to be repaid in 25 years at 0% interest with annual payments ranging from approximately \$50,000 to \$64,000, subject to availability of funds. page 4
5. The Board committed funds to the East Bench Canal Company project in the amount of \$164,000 (46%) to be returned in about 12 years at 0% interest with annual payments of \$14,000, subject to availability of funds. page 4
6. Funds were committed to the Midway Irrigation Company (Phase II) project in the amount of \$350,000 to be returned in 19 years at 2% interest with escalated annual payments. When the remaining \$2.064 million becomes available and is needed by the company the agreement will be amended to reflect the authorized purchase agreement for the full \$2.414 million. page 5
7. The Board authorized grant funds to the Consolidated Sevier Bridge Reservoir Company at 95% in the amount of \$4.75 million subject to availability of funds. The Board reserves the right to loan some/all of the \$4.75 million in the interim (until dam safety funds are received from the Legislature) if needed. page 5
8. Grant funds were authorized for the San Juan Water Conservancy District (Recapture Dam) in the amount of \$2.02 million (44%). Funds will be released as available. page 6
9. The contract was amended for the Callao Irrigation Company to provide an additional \$32,000, making a total of \$216,000 to be repaid with annual payments of \$9,600 at 0% interest over approximately 23 years. page 6
10. The Board withdrew the application from Billy Bethers Spring, Culinary & Domestic Water Supply Company from further consideration by the Board. page 6

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, December 20, 2002, in the Auditorium of the Department of Natural Resources Building, 1594 West North Temple, Salt Lake City, Utah. Chair Warren Peterson presided over the 10:00 a.m. meeting.

BOARD MEMBERS PRESENT:

Warren Peterson
Paul Riley
Lucille Taylor
Bill Marcovecchio
Harold Shirley
Cleal Bradford
Brad Hancock
Ivan Flint

STAFF MEMBERS PRESENT:

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Eric Millis, Asst. Director
Nancy Fullmer, Administrative Secretary
Randy Staker, Accountant
Todd Adams, Chief, Hydrology and Computer Applications
Robert King, Chief, Interstate Streams
Steve Wilde, Chief, Investigations
Gina Hirst, Engineer
Tom Cox, Engineer
Shalaine DeBernardi, Engineer
Russell Hadley, Engineer
Geralee Murdock, Executive Secretary

OTHERS PRESENT:

Sherm Hoskins, Deputy Director, Department of Natural Resources
Chris Hogge, Engineer, Weber Basin Water Conservancy District
Rex Ausburn, Branch Manager, Boyle Engineering
Bill Bradwisch, Aquatic Habitat Coordinator, Division of Wildlife Resources
Richard Sandberg, Loan Specialist, UDAF
Randy Julander, Snow Survey Supervisor

OTHERS PRESENT CONT'D:

Steven Roberts, President, Wolf Creek Water Conservancy Inc.
Lowell Peterson, Vice-president, Wolf Creek Water Conservancy Inc.
Dan White, Engineer, Gardner Engineering

Val Surrage, Chairman, Taylor/West Weber Water Improvement District
Dick Gibson, Vice-chair, Taylor-West Weber Water Improvement District
Max Looch, Serviceman, Taylor-West Weber Water Improvement District

Dixie Jones, Secretary-Treasure, Hanna Water and Sewer District
Ray Jones, Hanna Water and Sewer District

Steve Farrell, President, Midway Irrigation Company
Joseph J. Duubeck, Jr., Attorney, Midway Irrigation Company
Ross Wilson, Project Manager, J-U-B Engineers Inc.

Clyde Bunker, President, Consolidated Sevier Bridge Reservoir Co.
Dean Anderson, Secretary, Consolidated Sevier Bridge Reservoir Co.
Phil Gerhart, President, Gerhart Consultants, Inc.
Michael Collins, Bowen, Collins and Associates

MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
December 20, 2002

Chair Warren Peterson welcomed everyone in attendance.

APPROVAL OF THE MINUTES

Cleal Bradford made the motion to approve the minutes of the November 8, 2002 meetings with a one-word change. Bill Marcovecchio seconded the motion and the Board agreed.

WATER SUPPLY REPORT

Randy Julander reported seasonal precipitation is around 70-78% in most areas of the state due to storms received in October and November; snowpack is similar. Soil moisture values are around 40% weighted average; when more snow is received it should convert to runoff.

Reservoir storage is around 900,000 acre-feet less this year on December 1 than it was last year on December 1. Most areas have a bigger hole in reservoir storage than what would normally run off. Streamflow is extremely low and will not improve until the snowmelt runoff next year. The intermountain west is in a severe extreme drought.

Long range forecast for January, February and March indicates most of the state has a better than even probability of having another warm mild winter. Long range precipitation forecast is the southern end of the state has a better than average chance of having above average precipitation, and the rest of the state is predicted to have normal precipitation.

FEASIBILITY REPORTS

#E089 Wolf Creek Water Conservancy Inc.

Chair Peterson introduced Lowell Peterson, Vice-president, and Dan White of Gardner Engineering. Steven Roberts came in during the presentation. Shalaine DeBernardi reported the proposed project is located a mile north of the community of Eden in Weber County. The sponsor provides pressurized secondary irrigation water to 96 connections in the Wolf Creek area and would like to expand it into two additional subdivisions – Patio Springs and Eden Hills. In addition, the developer of the Eagle Ridge subdivision was required to install a “dry” system that now needs to be connected to the existing secondary system.

The sponsor is requesting financial assistance to expand its secondary irrigation system. The expansion will include construction of a new storage reservoir, dredging and lining of an existing reservoir, and installation of approximately 17,000 feet of distribution pipeline and 58 service connections. Technical assistance is being provided by Gardner Engineering in Ogden.

The estimated cost of the project is \$815,000. Based on the Board's water service affordability guidelines, new connectors could pay up to \$59.71 monthly for all water. With the proposed project in place the cost/connection/month will be approximately \$60.83.

The sponsor was incorporated on September 6, 1996, as a "profit" corporation, and is presently registered in good standing with the state Department of Commerce. They have not received financial assistance from the Board in the past.

Lowell Peterson said some of the people in Patio Springs are spending a considerable amount of money to water their yards. He said the Wolf Creek Water and Sewer Co. provides drinking water in the area, and their primary interest is to stop them from using so much drinking water for irrigation purposes. He said there was nothing in the project that directly benefits any real estate development, but the project was designed purposely to increase water service to these new subdivisions.

Ivan Flint said he had toured the area and asked Mr. Peterson if the residents lived there year-round. Mr. Peterson said yes, maybe one or two do not. Mr. Flint said it is a worthwhile project, however the Board recommends a 3% interest rate from the Conservation and Development Fund rather than staff's recommended 0% from the Revolving Construction Fund, and also the Board recommends the corporation be changed from a profit corporation to a non-profit corporation. Mr. Peterson said he didn't want to speak for the other directors, but did not think the other directors of the company would have any objection to the recommendations. Mr. Steve Roberts said he felt this could be agreed upon; the company has never made a profit and does not plan on making a profit.

Mr. Flint made the motion to authorize the Wolf Creek Water Conservancy Inc. project in the amount of \$611,000 (75%) to be purchased with annual payments starting at \$28,000 and increasing to \$43,000 at 3% interest over approximately 25 years, subject to availability of funds. The company is to be changed from a profit to a non-profit organization. Cleal Bradford seconded the motion and it was agreed upon by the Board.

#E095 Taylor-West Weber Water Improvement District

Chair Peterson introduced Dick Gibson, Val Surrage and Max Looch from the district. Tom Cox reported the district provides culinary water to about 1400 connections in western Weber County and the unincorporated areas of Taylor-West Weber and portions of Hooper and West Haven cities.

The district obtains its water from two wells and from Weber Basin Water Conservancy District that provides 450 acre-feet annually. The culinary system does not have adequate storage capacity to provide for existing connections' indoor and outdoor use plus fire protection. Also, the system has been experiencing an increase of around 50 connections per year which is expected to increase as a regional wastewater system is installed throughout the area.

The district is requesting financial assistance to improve its culinary water system by constructing a two million gallon concrete storage tank and booster pumping facility, installing pipeline to connect the tank to the existing system, and replacing 1,050 water meters. Technical assistance is being provided by LarWest Engineering in North Logan.

The estimated cost of the project is \$1.1 million. Based on the Board's water service affordability guidelines, area residents could pay around \$32.30 monthly for all water. The cost of culinary water with the project, based on 1,400 connections is estimated to be \$21.83 per month. About 25% of the existing connections have secondary water available to them provided by entities that assess annual fees of up to \$300. Those users' total monthly water costs are well over the Board's affordability amount, and total monthly costs to new connectors to the district system will also be above the guideline since they will be required to have secondary irrigation.

Mr. Surrage said the communities are located in a high growth area and do not have a tax base. He said this is something that needs to be done to stay up with regulations placed on them.

Ivan Flint said he had toured the area and feels this is a worthy project. He made the motion to authorize the Taylor-West Weber Water Improvement District project in the amount of \$825,000 (75%) to be purchased at 5% interest with annual payments starting at approximately \$51,800 and increasing to about \$90,800 over 20 years. The project is subject to availability of funds. Paul Riley seconded the motion and it was agreed upon by the Board.

COMMITTAL OF FUNDS

#D983 Hanna Water and Sewer District

Chair Peterson introduced Dixie and Ray Jones. Russell Hadley reported the proposed project is located in and around Hanna and Tabiona in Duchesne County. The district is requesting financial assistance to install a culinary water system consisting of the drilling and equipping of a deep well, construction of a 650,000 gallon tank, and installation of about 23 miles of transmission and distribution pipeline, fire hydrants, service connections and appurtenances. The cost is estimated at \$4.597 million.

Dixie Jones said all the pipe has been installed. The lines are full of water and the tank has been filled. It has been disinfected and flushed and today they're filling the tank and lines again and water should be for sale by January 1. Mr. Hadley said because of the Board's limited funds, the Board was not able to commit funds previously.

Brad Hancock made the motion to commit funds to the Hanna Water and Sewer District in the amount of \$1.371 million (29.8%) to be repaid in 25 years at 0% interest with annual payments ranging from approximately \$50,000 to \$64,000, subject to availability of funds. Cleal Bradford seconded the motion and the Board agreed.

#E032 East Bench Canal Company

Gina Hirst reported the proposed project is located on the east side of Spanish Fork City in Utah County. The company is requesting financial assistance to replace about 2,000 feet of its earthen, five-mile long irrigation water transmission canal with a rectangular concrete box conduit. Because of recent development at the bottom of the hillside below the canal, there is concern the canal will fail if filled to capacity.

The project authorized by the Board consisted of 60" plastic pipe to be installed in the original canal. The company moved the alignment to the state highway right-of-way, and because of that they need to change the plastic pipe to a proposed concrete box conduit to meet UDOT standards.

Ms. Hirst said since the report was prepared the company has determined the project will be about \$50,000 less than originally anticipated. They are requesting the Board provide \$164,000 or 46% of the estimated \$354,000 project cost.

Lucille Taylor said since the company requested the initial amount they found other funding to do part of the project and they dug the trench and started building the box conduit. Richard Sandberg with the Department of Agriculture said he had not received a formal application from the company for a loan through the ARDL program. Ms. Taylor said she had been on the site and seen the mess they are in and it needs to be finished, and hoped the Board could find the funds to help them. Chair Peterson reminded the Board that if an ARDL loan is procured, the Board's contract could be amended to allow parity.

Lucille Taylor made the motion to commit funds to the East Bench Canal Company in the amount of \$164,000 (46%) to be returned in about 12 years at 0% interest with annual payments of \$14,000. This is subject to availability of funds. Cleal Bradford seconded the motion and it was agreed upon by the Board.

#E064 Midway Irrigation Company (Phase II)

Chair Peterson introduced Steve Farrell, Joseph Duubeck, Jr. and Ross Wilson. Steve Wilde reported Midway Irrigation Company has completed Phase I of a two-phase pressurized irrigation project, and is now requesting financial assistance to construct Phase II by installing about 34,000 feet of 24 to 42-inch transmission pipeline, and constructing a 40 acre-foot regulating reservoir. Water will be transported from a diversion on the Provo River to the new

reservoir, then sent to the main pressurized agricultural irrigation system south of Midway, and/or pumped to Phase I's regulating reservoir.

Currently there is not \$2.414 million available for committal at this time, therefore the company has determined the most critical portion of Phase II can be done at around \$350,000 if the Board is able to commit that amount at this time. When the remaining \$2.064 million becomes available it can be released and the contract amended to reflect the authorized purchase agreement for the full \$2.414 million.

Lucille Taylor made the motion to commit \$350,000 to the Midway Irrigation Company (Phase II) project to be returned in 19 years at 2% interest with escalated annual payments. When the remaining \$2.064 million becomes available and is needed by the company the agreement will be amended to reflect the authorized purchase agreement for the full \$2.414 million. Bill Marcovecchio seconded the motion and the Board agreed.

DAM SAFETY CONSTRUCTION FUNDING

#C023 Consolidated Sevier Bridge Reservoir Company

Chair Peterson introduced Clyde Bunker, president of the company and also president of the Utah Water Users Association; Dean Anderson, secretary of the company, Phil Gerhart with Gerhart Consulting, Inc. and Michael Collins with Bowen, Collins and Associates. Shalaine DeBernardi reported the Sevier Bridge Dam is located about 25 miles south of Nephi in Juab County. The dam was completed in 1908 and enlarged in 1916. The company is now requesting financial assistance to upgrade the dam to meet current state dam safety standards. The dam embankment will be unstable during an earthquake due to liquefiable foundation materials. The upstream face of the dam needs riprap and the outlet works, spillway, and drainage system are all inadequate. The work will be accomplished in phases. Technical assistance is being provided by Bowen, Collins & Associates in Salt Lake City.

Because the Phase I work is most crucial from a safety standpoint, and considering availability of funds, staff recommends the Board commit funds only for Phase I at this time. Chair Peterson declared a conflict of interest as his law firm represents the Consolidated Sevier Bridge water users.

Clyde Bunker said the company would like to be considered for a 95% grant similar to Otter Creek and Piute. He said the difference of 5% amounts to a lot of money to the farmers. He said during the fall of 2003 they are anticipating draining the reservoir and hoped grant money could be received for the first phase.

Lucille Taylor made the motion to authorize grant funds at 95% in the amount of \$4.75 million subject to availability of funds. The Board reserves the right to loan some/all of the \$4.75 million in the interim (until dam safety funds are received from the Legislature) if needed. Bill Marcovecchio seconded the motion and the Board agreed.

#C026 San Juan Water Conservancy District

Shalaine DeBernardi reported Recapture Dam is located about a mile north of Blanding in San Juan County. The district is requesting financial assistance to upgrade the dam to meet current state dam safety standards. There has been a small amount of movement at depth of a landslide in the right abutment which has raised a question as to the stability of the embankment and U.S. Highway 191, which traverses the crest of the dam. The estimated cost of the upgrade is \$4.57 million. The Utah Department of Transportation will provide 56% of the dam safety portion or \$2.55 million.

Cleal Bradford made the motion to authorize grant funds in the amount of \$2.02 million (44%). Funds will be released as available. Lucille Taylor seconded the motion and the Board agreed.

SPECIAL ITEMS

#E008 Callao Irrigation Company

Ms. DeBernardi reported the company is constructing a 600 acre agricultural pressurized irrigation system consisting of a well, a regulating pond, and approximately 12,000 feet of pipe. Only drilling and equipping the well remain for the system to be complete.

The original cost estimate for the well was based on using some equipment from an abandoned well; that equipment has turned out to be unsuitable for use at the new well site, and current well drilling costs are higher than previously estimated. The company is requesting additional funds (\$32,000) to help cover the increased costs and complete the project.

Lucille Taylor made the motion to amend the contract for the Callao Irrigation Company to provide an additional \$32,000, making a total of \$216,000, to be repaid with annual payments of \$9,600 at 0% interest over approximately 23 years. Cleal Bradford seconded the motion and it was agreed upon by the Board.

#E-021 Billy Bethers Spring, Culinary, & Domestic Water Supply Company

The sponsor requested financial assistance to improve its culinary water system. Because the Daniel Domestic Water Company is incorporating the Billy Bethers Company into its system the sponsor has no need of financial assistance from the Board. Lucille Taylor made the motion to withdraw the Billy Bethers Spring, Culinary & Domestic Water Supply Company's application from further consideration by the Board. Harold Shirley seconded the motion and it was agreed upon by the Board.

DIRECTOR'S REPORT

Director Anderson gave the Board a copy of a letter sent to Secretary of Interior Gale Norton relating to the Colorado River Interim Surplus Guidelines. He said up until December 9, it appeared everything was moving forward in California so the various water agencies would be able to sign the Quantification Settlement Agreement by December 31, 2002. With the signing of that agreement, California would be in compliance with the Interim Surplus Guidelines allowing them to receive an additional 700,000 acre-feet of water next year as they begin the process to gradually reduce their demands for Colorado River water from 5.2 million acre-feet to 4.4 million acre-feet.

On December 10, Imperial Irrigation District's board made a decision not to sign the agreement. This means California will not be able to comply with the Interim Surplus Guidelines and the guidelines will be suspended; California automatically reverts to 4.4 million acre-feet until California entities execute the Quantification Settlement Agreement. California is working hard to reach an agreement before December 31.

Director Anderson informed the Board of the Uinta Basin water conference being held February 4 and 5. This is the 15th year they've held the conference and it is a very good conference. Brad Hancock is involved, however all Board members are invited to attend if they so desire.

CHAIR'S REPORT

Chair Peterson said all areas of the state budget are under pressure, however the Governor has focused on water funding as an area where there should be an examination of our long-standing policies and funding sources. The Governor challenges the water community to come up with dedicated secure funding that would generate \$30 million per year rather than the \$20 million presently coming from the 1/16% sales tax.

Mr. Peterson suggested the Board have the schematic available showing the steps it takes to get water from the source to the tap so they can be part of the education process in their communities. (Staff will provide them with the schematic used in water education presentations). This shows the lead time it takes and also the cost of water development. Mr. Peterson reviewed a written statement he had prepared. He said he disagrees with the Governor and stated the sales tax is efficient and it is low cost. He said if better ways can be found they will be incorporated. Mr. Peterson plans to give his views to the subcommittee. Cleal Bradford commended the subcommittee for trying to come to a solution.

Meeting adjourned at 11:52 a.m.

Approved
MINUTES

BOARD OF WATER RESOURCES
BRIEFING MEETING

November 8, 2002

Room 314, Department of Natural Resources
Salt Lake City, Utah

BOARD OF WATER RESOURCES

Briefing Meeting
November 8, 2002

The Board of Water Resources held a briefing meeting on November 8, 2002 at 10:00 a.m. in Room 314 at the Department of Natural Resources Building in Salt Lake City, Utah.

The following people were in attendance:

BOARD MEMBERS

Paul Riley
Lucille Taylor
Cleal Bradford
Ivan Flint
Brad Hancock
Harold Shirley

Board Members Not in Attendance

Warren Peterson
Bill Marcovecchio

STAFF MEMBERS

Larry Anderson
Dennis Strong
Eric Millis
Nancy Fullmer
Steve Wilde
Todd Adams
Eric Klotz

VISITORS

Sherm Hoskins

Vice Chair Paul Riley called the meeting to order and excused Warren Peterson and Bill Marcovecchio.

Mr. Riley talked about the Bear Lake Symposium he attended on November 7 in Garden City. He said it was a technical presentation by the U.S. Geological Survey on the history of Bear Lake.

Sherm Hoskins gave the Board members a copy of the "Handbook for Members of Utah State Boards and Commissions" that was prepared by the Governor's office. He also handed out copies of the organization charts for the Department of Natural Resources and Division of Water Resources and a copy of the Governor's 1000-Day Economic Plan. He encouraged the Board members to read the information to gain a better understanding of their roles and to review some of the topics in future Board briefing meetings. Mr. Hoskins thanked the Board members for their dedication and efforts to serve on the Board of Water Resources.

Discussion of Staff Activities

Director Larry Anderson handed out a report entitled "Draft Green River Pipeline Cost Analysis", and said it was prepared by staff at the Division of Water Resources. He also gave the Board members a copy of a letter he sent to the Wyoming State Engineer informing him about the proposed project and offering to discuss the report with him and his staff. Mr. Anderson thanked Todd Stonely for compiling the report and acknowledged his recent promotion as Chief of River Basin Planning.

Director Anderson showed a power point presentation of the proposed Green River pipeline project and discussed some of the areas that will require further study. He said the report will probably be put on the publications shelf and the preliminary information will be made available to whoever wants to see it.

Mr. Anderson also talked about a recent meeting between Jerry Olds, Norman Johnson and himself and representatives of the Navajo Indian Tribe regarding their reserved water rights.

Dennis Strong talked about the construction funds and the budget cuts. He said the Governor's office will not include restoring the sales tax funds in their budget recommendations. They will suggest the funds be taken again because of the budget deficit. The legislators do not agree with the Governor's recommendation but everyone has to participate in balancing the budget. Mr. Strong said Warren Peterson will report on the task force meetings during the Board meeting. Director Anderson said Chair Peterson served on the subcommittee that reviewed ten proposed alternatives.

Discussion of Projects

Steve Wilde explained the request from Tooele County for financial assistance to drill and equip a culinary water well near Grantsville and tie it into the Deseret Peak Complex, which is a recreational facility near Tooele City. The complex had received culinary water from Tooele City since 1999, but the city's ability to supply water has been affected by rapid growth and

drought. The proposed system will tie into the Grantsville City culinary system and provide the city with additional storage and fire protection. Tooele County has negotiated a contract with Grantsville City for operation and maintenance of the project.

Mr. Wilde said Gunnison City is requesting financial assistance to make improvements to its pressurized secondary irrigation system that was built in the 1980's with financial assistance from the Board. The city is receiving a grant from the Central Utah Water Conservancy District's Section 206 funds since they did not receive water from the Central Utah Project. There was a discussion about the city's water rates. Director Anderson said the city will be required to prepare an adequate Water Management and Conservation Plan, and staff will require they adopt a progressive water rate structure.

Dennis Strong said the Fremont Waterworks Company will request the amount authorized by the Board and not the increased amount shown in the committal of funds report since the bids came in lower than the engineer's estimate.

Director Anderson said the Board received several requests for contract amendments and payment deferrals. Staff recommends the Board approve all of the requests. Mr. Wilde said the Board may receive more requests from sponsors who cannot make their payments. The bills were sent the middle of October. The Board members asked if all of the sponsors knew they could request payment deferrals. Staff said they have not advertised.

Other Items

Director Anderson asked if the Board members wanted to hold the December briefing meeting on Thursday afternoon before the Board meeting or early on Friday morning. It was decided to hold the briefing meeting about 8:00 a.m. on December 20 and the Board meeting will begin about 10:00 a.m. and conclude by about noon since the Christmas Party begins at 1:00 p.m. The subcommittee comprised of Paul Riley, Lucille Taylor, Brad Hancock and Ivan Flint will meet on Thursday at 3:00 p.m. to discuss the issue of purchasing bond insurance.

The Board members were given a revised schedule for the 2003 Board of Water Resources meetings since the Water Users Workshop meetings were changed from March 4 and 5 to March 18 and 19. The Board members said they wanted to hold their March meeting in conjunction with the Water Users Workshop in St. George. The Board members said they felt the Board tours were beneficial and suggested adding additional tours to the schedule. Director Anderson said tours could be added to the meetings scheduled in Salt Lake.

There was a discussion about reappointments of the four Board members who have served two terms. Director Anderson said he has not been told if Warren Peterson, Cleal Bradford, Lucille Taylor or Harold Shirley will be replaced next year. Sherm Hoskins said the Board's handbook that he reviewed recommends Board members only serve two terms.

The meeting adjourned about 12:30 p.m. for lunch.

Approved
MINUTES
BOARD OF WATER RESOURCES MEETING
November 8, 2002

Auditorium
Department of Natural Resources
1594 West North Temple
Salt Lake City, Utah

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Attachment – Revised Board Meeting Schedule

SUMMARY OF BOARD ACTIONS

1. The Minutes of the September 19 and 20, 2002 Board meetings were approved with suggested changes. page 1
2. The Board authorized the Tooele County project and agreed to participate in an interest rate buydown. The market loan will be repaid in 17 years at 5% interest and the \$700,000 (35%) bonded indebtedness will be repaid concurrently at 1% interest. The end interest rate will be 3% with a blend. page 1
3. The Gunnison City project was authorized in the amount of \$477,000 (37%) to be repaid in 21 years at 1% interest with annual payments ranging from approximately \$16,000 to \$64,600. page 2
4. Funds were committed to the Fremont Waterworks Company in the amount of \$150,000 (19%) to be purchased at 0% interest with annual payments of \$1,000 the first 11 years and \$2,000 to approximately \$28,000 the next 13 years. page 3
5. The contracts for the Carlisle Water Company (#D600 and #815) were amended and the December 1, 2002 payments were deferred for one year (December 1, 2003). page 3
6. The Blanding Irrigation Company contracts (#D618 and #D759) were amended and the December 1, 2002 payments were deferred for one year (December 1, 2003). page 3
7. The contracts for the Enterprise Reservoir and Canal Company were amended (#K203 and #N236) and the March 1, 2003 payments were deferred for one year (March 1, 2004). On project #N236 the interest will not accrue from March 1, 2003 until February 29, 2004. page 4
8. The contract for the New Escalante Irrigation Company will be amended and the interest portion (\$24,328) of the \$83,000 total payment due March 1, 2003, will be forgiven. page 4
9. The Board withdrew the Payson City application from further consideration. page 4
10. The Board approved the revised 2003 Board Meeting Schedule. page 4

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, November 8, 2002, in the Auditorium of the Department of Natural Resources Building 1594 West, Salt Lake City, Utah. Chair Warren Peterson presided over the 1 p.m. meeting.

BOARD MEMBERS PRESENT:

Warren Peterson
Paul Riley
Brad Hancock
Lucille Taylor
Cleal Bradford
Harold Shirley
Ivan Flint
Bill Marcovecchio was absent

STAFF MEMBERS PRESENT:

Larry Anderson, Director
Dennis Strong, Deputy Director
Eric Millis, Asst. Director
Nancy Fullmer, Administrative Secretary
Steve Wilde, Chief, Investigations
Todd Adams, Chief, Hydrology & Computer Applications
Dave Cole, Senior Engineer
Tom Cox, Engineer
Gina Hirst, Engineer
Tim Heyrend, Engineer
Quinnette Blatter, Engineer
Russell Barrus, Engineer
Justin Johnson, GIS Intern
Geralee Murdock, Executive Secretary

OTHERS PRESENT:

Sherm Hoskins, Deputy Director, Department of Natural Resources
Brad Nelson, Civil Engineer, Weber Basin Water Conservancy District

Teryl Hunsaker, Tooele County Commissioner
Dennis Rockwell, Tooele County Commission Chairman
Gene White, Tooele County Commissioner
Raymond Johnson, Tooele County Engineer

OTHERS PRESENT CONT'D:

Mike Jensen, Tooele County Auditor
Ben White, Design Engineer, Forsgren Associates
Alex Buxton, Asst. V.P., Zions Public Finance

Rodney Taylor, Gunnison City Councilman
Donald Childs, Supervisor, Gunnison City
Linda Day, Engineer, Franson-Moble Engineers

Shane Johnson, Field Representative, Redmond Irrigation and Buildings

MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
November 8, 2002

Vice-chair Paul Riley called the meeting to order and welcomed everyone as Chairman Peterson had been detained.

APPROVAL OF MINUTES

Cleal Bradford made the motion to approve the minutes of the September 19 and 20, 2002 Board meetings with suggested changes by Lucille Taylor. Ivan Flint seconded the motion and the Board agreed.

FEASIBILITY REPORTS

#E080 Tooele County

Paul Riley introduced Teryl Hunsaker, Gene White, Raymond Johnson, Dennis Rockwell, Ben White, Mike Jensen and Alex Buxton. Val Anderson reported Tooele City has supplied indoor and outdoor culinary water to the Deseret Peak Complex (recreational facility) located about halfway between Tooele and Grantsville in Tooele County. The city's ability to supply water has been affected by rapid residential growth and by drought, and the water level in all city wells has steadily declined. Tooele City restricted the complex's water use to indoors and the swimming pool only.

The county installed a temporary, aboveground transmission pipeline supplied by an irrigation well owned and located on the Tooele Army Depot to keep outdoor water flowing to the complex. The well can only be used this year, because it is next to a contaminated plume of underground water and prolonged pumping may spread the plume.

The county is requesting financial assistance to drill and equip a culinary water well near Grantsville, and tie it into the complex with about 5 ½ miles of 18inch PVC transmission pipeline. The proposed system will tie into the Grantsville City culinary system, providing it additional storage and fire protection. Forsgren and Associates will prepare plans and specifications and provide construction engineering. The cost is estimated at \$2 million and it is suggested the Board participate in an interest rate buydown.

Teryl Hunsaker said they were at the Board's mercy and would like to see the project in place with the Board's assistance. Mr. Hunsaker said they needed the well in place by April or they would lose about 600 trees.

After discussion, Harold Shirley made the motion to authorize the Tooele County project and participate in an interest rate buydown. The market loan would be repaid in 17 years at 5%

interest and the \$700,000 (35%) bonded indebtedness to the Board would be repaid concurrently in 17 years at 1% interest. Cleal Bradford seconded the motion. Chairman Peterson previously joined the meeting and suggested the motion state the end interest rate be 3% with a blend. Mr. Shirley concurred. The Board agreed.

#E088 Gunnison City

Chair Peterson introduced Rodney Taylor, Donald Childs, and Linda Day from Franson and Noble Engineering. Gina Hirst reported Gunnison City supplies culinary water to about 641 connections, most of which are connected to a pressurized secondary irrigation system built in the mid-1980s. At that time the city purchased 600 shares in Gunnison Irrigation Company for water use in the secondary system. The city recently purchased an additional 60 shares of water to meet increased demand, but the pipeline infrastructure has capacity for only the original 600 shares.

Water for the system is diverted from the San Pitch River into the Highland Canal, and then travels to a regulating pond whose original 30 acre-foot capacity has been significantly reduced by sedimentation. Leaving the pond are two 21-inch PVC transmission pipelines which provide inadequate pressure and capacity for the areas served. With the current pressure and capacity problems of the system, the city cannot support any additional connections.

The city is requesting financial assistance to make improvements to its pressurized secondary irrigation system by installing additional PVC pipelines, constructing a new 17 acre-foot regulating pond, and purchasing additional water shares. The cost of the project is estimated at \$1.287 million. The Central Utah Water Conservancy District will supply \$650,000 through Section 206 funds.

Based upon the Board's water service affordability guidelines, Gunnison residents could pay up to \$31.56 monthly for all water. With the proposed project in place the cost per connection per month will be \$39.16. Their current culinary rates are \$13.50 for the first 15,000 gallons monthly and \$.90 per thousand gallons above that; the city also collects \$9.00 per share annually for the secondary water. The city has received assistance from the Board in the past, which will be repaid in 2012.

Mr. Taylor thanked the Board for its consideration and also Gina Hirst for her efforts. He said they want to protect their valuable culinary water. At the present time there are 100 acres of ground that cannot be developed or sold as residential lots because of a lack of secondary water. The proposed project would provide the secondary source.

After considerable discussion regarding water rates, Cleal Bradford made the motion to authorize the Gunnison City project in the amount of \$477,000 (37%) to be repaid in 21 years at 1% interest with annual payments ranging from approximately \$16,000 to \$64,600. Lucille Taylor seconded the motion, and it was agreed upon by the Board.

COMMITTAL OF FUNDS

#E057 Fremont Waterworks Company

Gina Hirst stated the company is requesting financial assistance to improve its culinary water system by installing 8-inch PVC transmission pipeline parallel to an existing 4-inch asbestos-cement line, replacing 4-inch and smaller asbestos-cement distribution pipelines with 8-inch PVC, and installing fire hydrants. The estimated cost of the project is \$800,000. Rural Development is providing \$600,000 in the form of a grant and loan.

Harold Shirley made the motion to commit funds to the Fremont Waterworks Company in the amount of \$150,000 (19%) to be purchased at 0% interest with annual payments of \$1,000 the first 11 years, and \$2,000 to approximately \$28,000 the next 13 years. Lucille Taylor seconded the motion and the Board agreed.

SPECIAL ITEMS

#D600 Carlisle Water Co.

#D815 Carlisle Water Co.

Steve Wilde reported the Carlisle Water Company projects were for assistance in repairing Gordon Dam. The water company requested in a letter that their current loan payments (\$2100 and \$4900) due December 1, 2002 be postponed for one year due to the lack of water and crop production. Cleal Bradford made the motion to amend the contracts for the Carlisle Water Company agreements #D600 and #D815 and postpone its \$2100 and \$4900 payments for one year (December 1, 2003). Ivan Flint seconded the motion and it was agreed upon by the Board.

#D618 Blanding Irrigation Company

#D759 Blanding Irrigation Company

Steve Wilde reported the Blanding Irrigation Company has two current agreements with the Board. #D618 is for an irrigation pipeline project and #D759 is for a pressurized agricultural sprinkle irrigation system. Due to the severe drought in San Juan County and the company's almost total lack of crop production this year, the company is requesting the December 1 payments (\$23,000 and \$12,000) be delayed one year. Cleal Bradford made the motion the contracts be amended for the Blanding Irrigation Company's projects (#D618 and #D759) and the payments be deferred one year until December 1, 2003. Ivan Flint seconded the motion and it was agreed upon by the Board.

#K203 Enterprise Reservoir & Canal Co.
#N236 Enterprise Reservoir & Canal Co.

Steve Wilde reported the Enterprise Reservoir and Canal Company is requesting deferment on projects #K203 (repair of Enterprise Dam) and #N236 (pressurized sprinkle irrigation system) due to the severe drought and lack of crop production. The company would like the payments (\$12,900 and \$104,200) be deferred one year until March 1, 2004; all remaining payments will be due one year later. On project #N236 it is requested the interest not accrue from March 1, 2003, through February 29, 2004.

Harold Shirley made the motion the contracts be amended for Enterprise Reservoir and Canal Company projects #K203 and #N236. The payments (\$12,900 and \$104,200) will be deferred until March 1, 2004 and no interest will accrue from March 1, 2003 until February 29, 2004 on #N236. Paul Riley seconded the motion and the Board agreed.

#N226 New Escalante Irrigation Company

Steve Wilde said in 1981 the Board provided financial assistance to the New Escalante Irrigation Company for construction of a pressurized irrigation system. Since that time the Board has amended the contract several times. Due to the drought and poor crop production the company is requesting the \$24,328 interest portion of its \$83,000 total payment be forgiven. Harold Shirley made the motion the contract be amended for the New Escalante Irrigation Company and the \$24,328 interest portion of its March 1, 2003 payment, due March 1, 2003, be forgiven. Cleal Bradford seconded the motion and it was agreed upon by the Board.

#E037 Payson City

Payson City requested financial assistance to construct a 6,000 acre-foot irrigation water storage reservoir in the Walker Flat area of Payson Canyon. Because the city is now undecided as to whether to build the project, staff recommends the application be withdrawn. Lucille Taylor made the motion the Payson City application be withdrawn from further consideration by the Board. Brad Hancock seconded the motion and the Board agreed.

APPROVAL OF 2003 BOARD MEETING SCHEDULE

Lucille Taylor made the motion the 2003 Board Meeting Schedule be adopted as revised (copy attached). Harold Shirley seconded the motion and it was agreed upon by the Board.

DIRECTOR'S REPORT

Dave Cole gave a brief report on the progress of the cloud seeding program. He said with the Uinta Mountains Project area coming in this year the Board will be providing approximately 41% of the cost.

Director Anderson asked Eric Millis to introduce four new staff members to the Board. Mr. Millis introduced Quinnette Blatter, Tim Heyrend, Russ Barrus and Justin Johnson. They each gave a brief background of themselves.

Director Anderson said a resolution has been agreed upon allowing the use of Upper Colorado River Basin compact water in the lower basin as long as it's used in the same state. He referred to a copy of a resolution supporting the state of New Mexico's Navajo-Gallup water supply project which would use a portion of New Mexico's upper basin water in the lower Colorado River Basin of New Mexico. This resolution has been sent to the three Lower Basin states for their consideration.

Mr. Anderson referred to a memo in the Board folder regarding the state of California reaching a tentative agreement on the Quantification Settlement Agreement. Once this agreement is signed, California will be in compliance with the interim surplus guidelines. This is a positive step leading to California's ultimate reduction in Colorado River water use to its apportioned allocation of 4.4 million acre-feet.

In the Board folder there is a copy of a Memorandum of Agreement between the four water funding agencies (Water Resources, Water Pollution Control, Safe Drinking Water and Community Impact Board) stating the Division of Water Resources will evaluate the adequacy and completeness of Water Management and Conservation Plans submitted to each agency; there will be no charge for this service.

Mr. Anderson said Tage Flint, General Manager of the Weber Basin Water Conservancy District wrote a letter thanking the Board for its assistance at the last Board meeting with a bond insurance grant.

CHAIR'S REPORT

Chair Peterson reported on the Governor's Task Force for Water Funding subcommittee. He said it's hard to find another revenue source other than the 1/16% sales tax that spreads widely over as many people. He said this topic could be carried right on through the legislative session.

NEXT MEETING

The next Board meetings will be held December 20, 2002 with the Briefing Meeting beginning at 8 a.m. in Room 314 and the Board meeting at 10 a.m. in the auditorium. The Board and Division Christmas luncheon at the Lion House will begin at 1 p.m.

Meeting adjourned at 3:25 p.m.